Waste to Energy Workshop

Don Book
General Manager
Dubois REC
December 11, 2006

Touchstone Energy® Cooperatives
The power of human connections




Working With the Local Utility

Dubois REC

- 13,000 Customers
- 1,620 Miles of line
- 250,000,000 kWh Sold Annually
- Annual sales of $19 Million
- Growing at 2% per year

HOOSIERENERGY
RURAL ELECTRIC COOPERATIVE, INC.

Bartholomew Co. REMC
Clark Co. REMC
Daviess-Martin Co. REMC
Decatur Co. REMC
Dubois REC, Inc.
Harrison REMC
Henry Co. REMC
Jackson Co. REMC
Johnson Co. REMC
Orange Co. REMC
RushShelby Energy REC, Inc
South Central Indiana REMC
Southeastern Indiana REMC
Southern IN REC
Utilities District of Western Indiana REMC
Whitewater Valley REMC
WIN Energy REMC

Energy Policy Act of 2005

- Annual Sales >500 million kilowatt-hours
- Consider Adopting Standards
  - Net Metering
  - Time-of-use pricing
  - Fuel Diversity
  - Generation Efficiency
  - Distributed Generation Interconnection

Energy Policy Act Schedule

Standard	Date For Making Determination
Time-of-use pricing	*August 2007*
Interconnection	*August 2007*
Net Metering	*August 2007*
Fuel Sources	*August 2008*
Fossil Fuel Generator Efficiency	*August 2008*

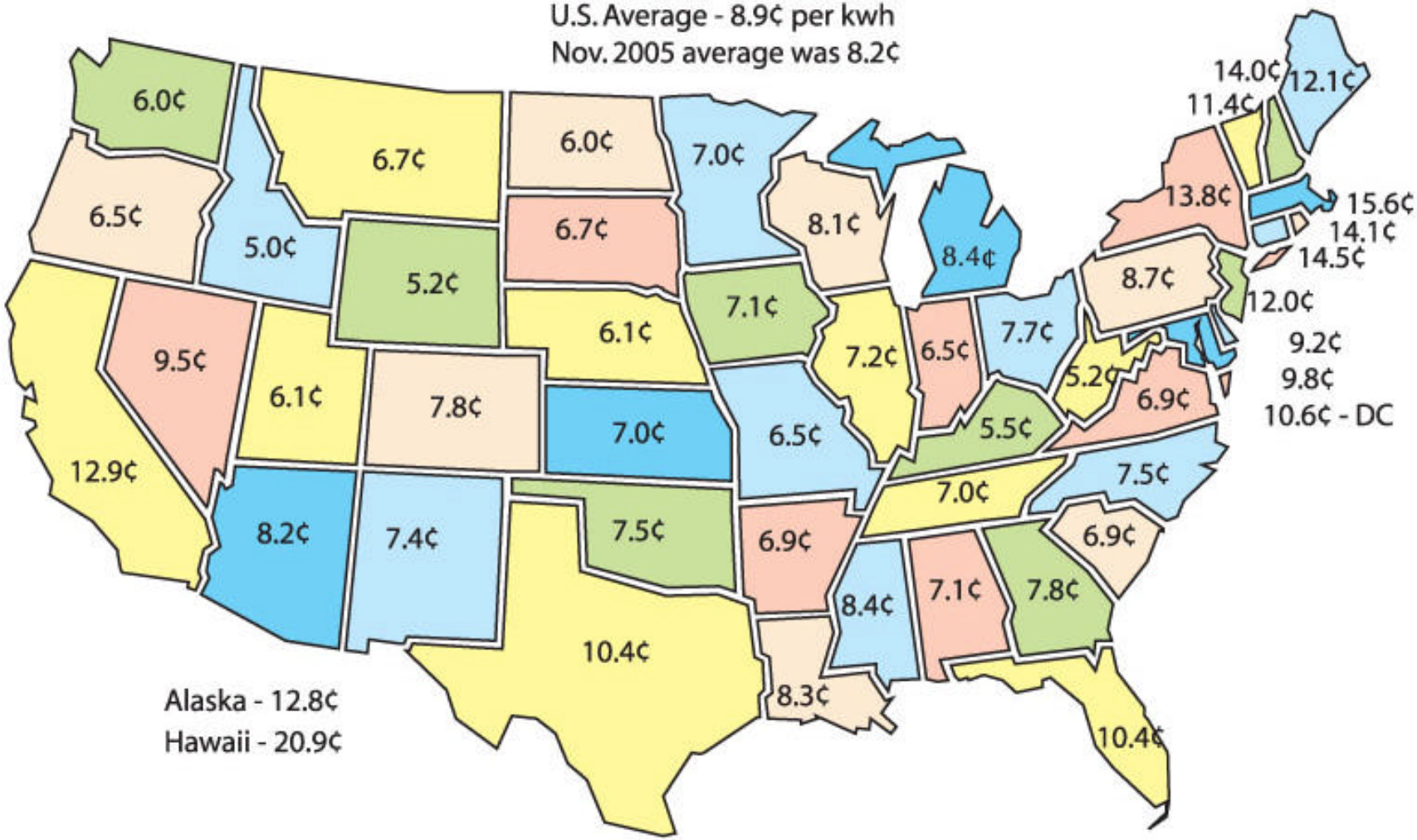
Dubois REC Approach

- Resolution Passed July 9, 2006
- Determine which standards make economic sense
- Develop agreements
  - Safety
  - Reliability
- Educate employees and members

Considerations

- IURC Approach to Net Metering
  - Solar, Wind or Small Hydro
  - 10kW or Less
  - Credits with No Cash Payments
  - Limited to 1/10 of 1%
- Distribution Interconnections >10kW
- Transmission or Substation Interconnections

Average U.S. Retail Electricity Price by State - Aug. 2006



Source: Energy Information Administration - Aug. 2006 prices

Recommendations

- Hire an “experienced” developer/contractor
- Contact local utility early in process
- Understand the issues
  - Risks
  - Production capabilities
- Prioritize your goals
  - Lower electricity costs
  - Environmental objectives
  - Reliability

HOOSER ENERGY REC. Inc
Renewable Energy Program

Heath Norrick
Coordinator, Renewable Energy
Hoosier Energy
December 11, 2006

Hoosier Energy Overview

- Generation and transmission cooperative (G&T).
- Owned by 17 distribution co-ops serving 280,000 meters in 15,000 square mile area in 48 counties.
- Own & operate power plants & transmission assets.
  - 2 coal plants (Merom @ 1,000 and Ratts @ 250 MW)
  - 2 gas plants (Lawrence @260 and Worthington @ 175 MW)
  - 4 million tons of coal & over 1 million MMBtu of gas in 2005
  - 1,500 mile high voltage transmission system
  - 250 substations
- Has assisted with over $7 billion in new investment in central and southern Indiana in the last 15 years. Recognized as one of the best U.S. economic development programs.

Renewable Energy Policy

- Hoosier Energy's Board of Directors approved a Renewable Energy Policy at its September 2006 meeting.
- Does support State and/or Federal Incentives to promote renewable energy at both the commercial and residential level.
- Does not support "mandatory" standards.
- The renewable energy projects must be economically justifiable.

Renewable Energy Policy (cont.)

- Renewable Energy generation projects will be driven by:
  - Environmental interest
  - Economic principles
  - End-consumer benefits
- Encourages renewable project developers to contact us early in the process.

Current Efficiency Assistance

- Longtime investor in energy efficiency appliances such as air and ground source heat pumps through end user rebates.
- Assist with energy efficiency studies.
- Key account specialists to assist with energy challenges.
- Partner with Purdue, poultry, pork and cattle associations.

Current Renewable Initiatives

- Clark / Floyd Landfill Gas Generating Station.
- 2 reciprocating engines that will produce 1059 kW each.
- Completion scheduled for the fall of 2007.

Additional Renewable Initiatives

- Participating in coal bed methane study.
- Assisting with wood waste to steam project.
- Discussing animal waste to energy projects with potential developers.
- Investigating possible wind project.

Conclusion

- America’s utility industry is entering a new age of electric production and reliability.
- Renewable Energy will become more prominent.
- Everyone from utility generators to consumer must take an active approach in driving renewable energies technology forward.

Questions?